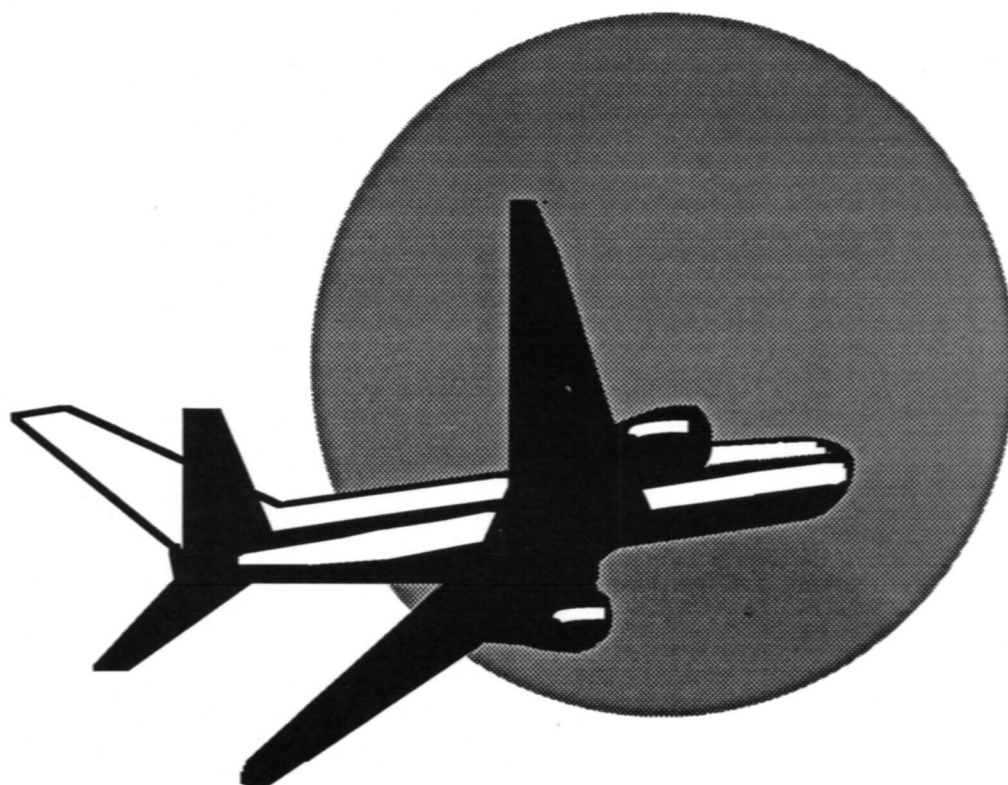


**AERONAUTICS DIVISION
PROGRESS REPORT**



ARIZONA DEPARTMENT OF TRANSPORTATION

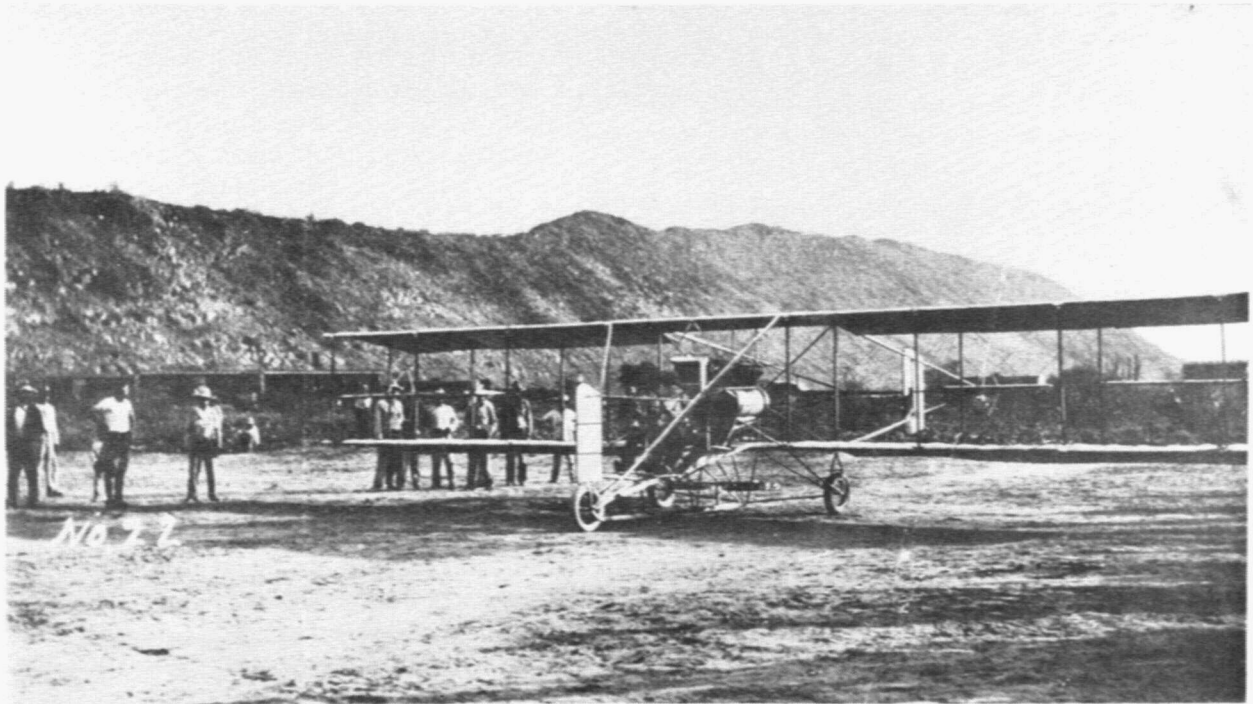
1987-88

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HISTORY

The history of the Arizona Department of Transportation, Aeronautics Division, began with the creation of the Arizona Aviation Authority in March of 1950. The Authority originally consisted of an unpaid board of five members serving three-year terms. The primary purpose of the board was to advise the Governor and the legislature on aviation matters. In May of 1955, a part-time director was appointed. Later that same year, the position became full-time. The Authority started monthly publication of a newsletter in 1956 and an airmarking program to aid in cross-country navigation in 1958. By 1959, the Authority had begun assisting communities in developing airfields.



In 1962, the legislature created the Arizona Department of Aeronautics with a seven-member board, and appropriated funds to assist in construction of a Grand Canyon National Park Airport. Construction design began in 1963 and the airport officially opened two years later.

In 1974, the Departments of Aeronautics, Highways and Motor Vehicles were combined to form the present-day Arizona Department of Transportation.



AUTHORITY AND RESPONSIBILITY

The Arizona Department of Transportation is composed of five divisions; Aeronautics, Highways, Transportation Planning, Motor Vehicles and Administrative Services. The Aeronautics Division is charged by State law to: encourage and advance the safe and orderly development of aviation in the State; assemble and distribute to the public information relating to aviation; represent the State on issues of routing and rate schedules concerning commercial airline traffic; accept federal and other monies for airport development or air navigation facilities; ensure that the Grand Canyon National Park Airport is operated and maintained; license aircraft dealers; register non-airline aircraft within the State and make recommendations on legislative and policy issues. For statutory references, see Arizona Revised Statutes, Title 28, Chapter 12.

The Aeronautics Division is organized along functional lines of responsibilities. As the organizational chart on the next page indicates, the Division is composed of the Aviation Revenue, Airport Development, Aviation Planning, Grand Canyon National Park Airport, Air Service, Aviation Safety and Education, and Administration Sections.

Arizona's Aviation Directors

1955 - 1975 James Vercillino

1975 - 1975 John Burns

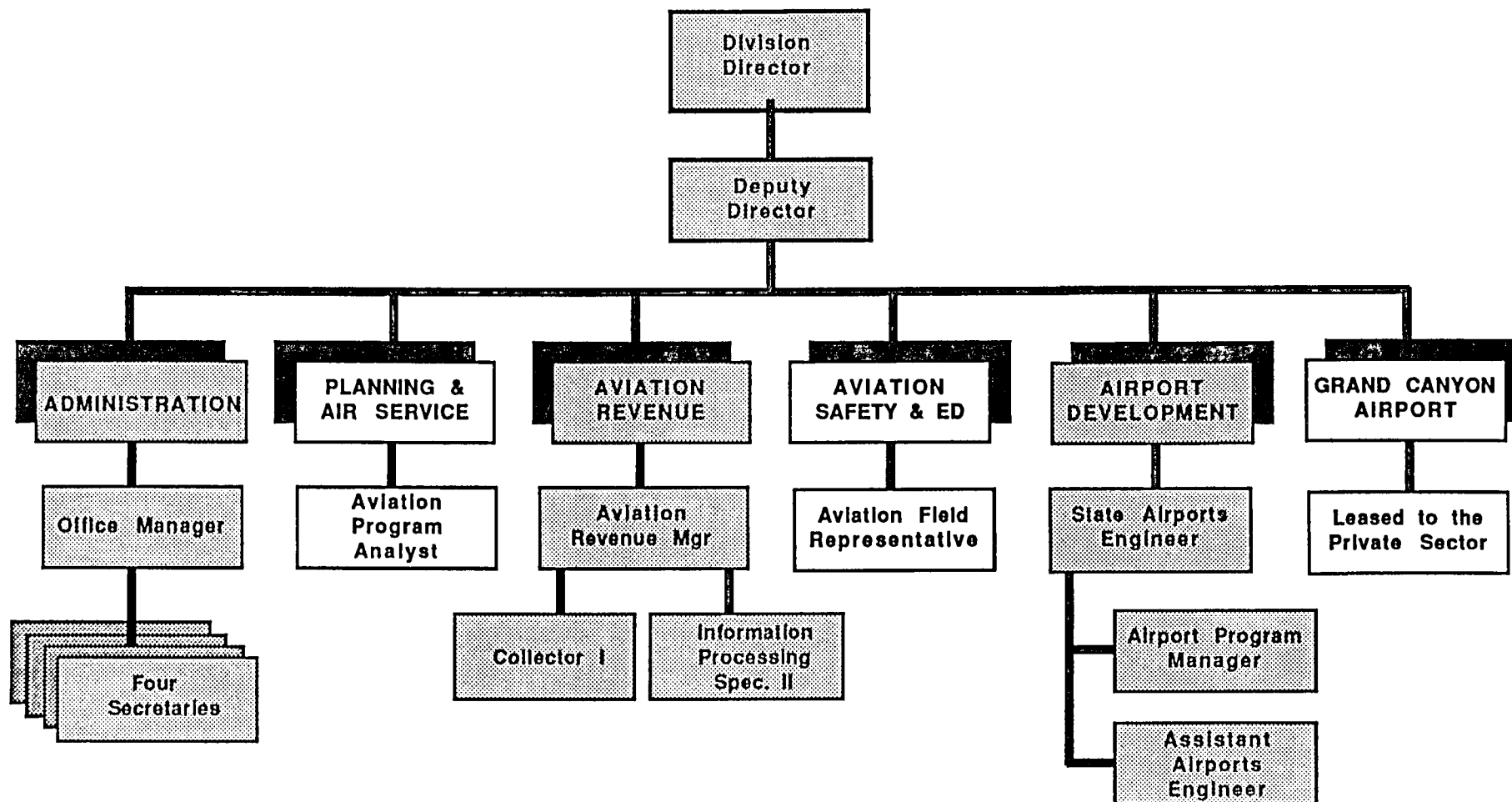
1975 - 1978 John Walters

1978 - 1987 Ascencion (Sonny) Najera

1987 - 1988 Jack Christopherson

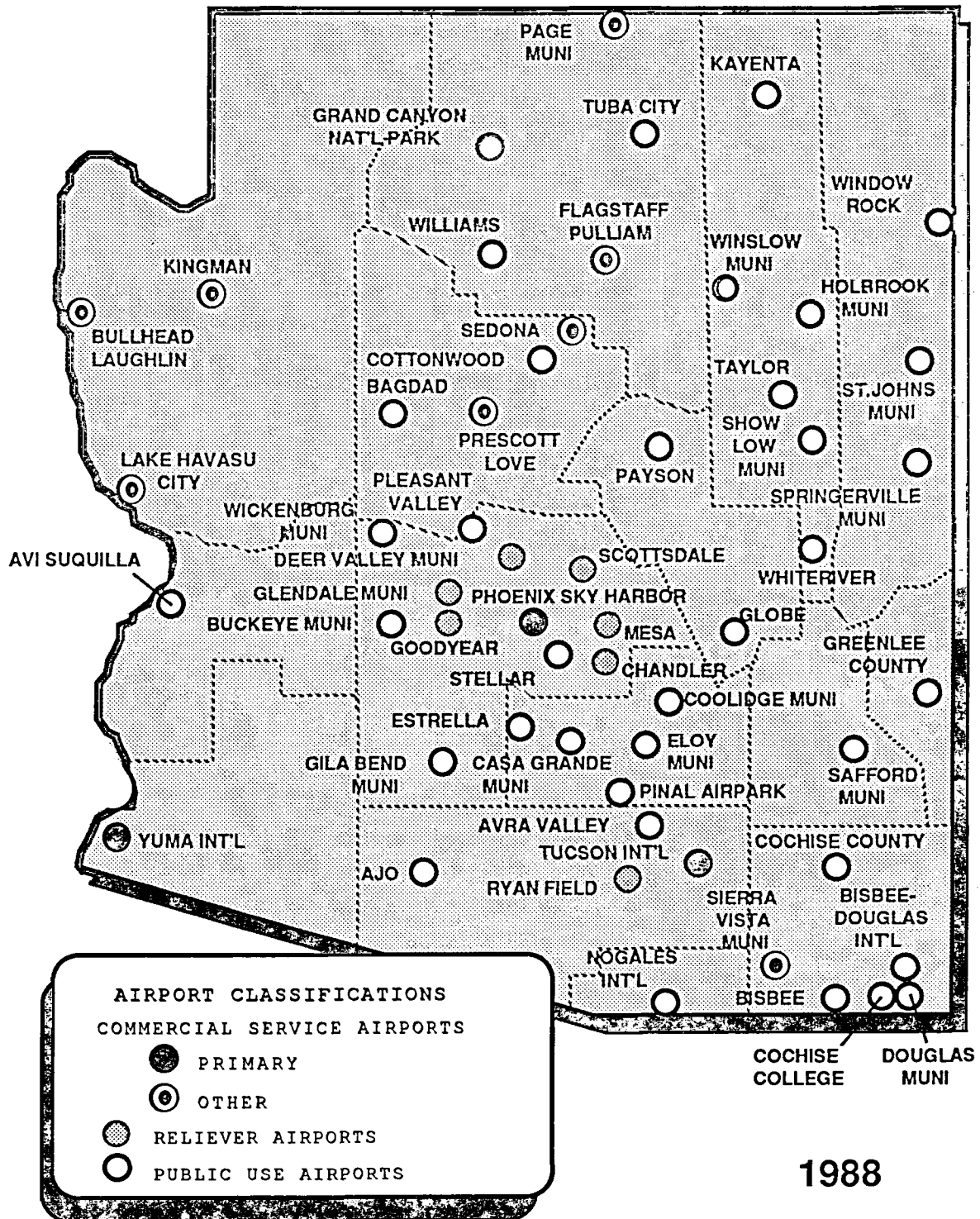
1988 Gary Adams

**ARIZONA DEPARTMENT OF TRANSPORTATION
AERONAUTICS DIVISION
ORGANIZATIONAL CHART**



STATE OF ARIZONA

PRIMARY AIRPORT SYSTEM



ARIZONA AIRPORT SYSTEM DESCRIPTION

Airports are considered facilities which enable residents of a community to have access to the national system of airspace and airports. From a state standpoint, it is considered desirable to provide the general public with no more than a 30-minute driving time to a public use airport facility. In Arizona, there are 260 airports/heliports registered with the Federal Aviation Administration (FAA). A primary system of 59 key airports provides service to about 87 percent of the population with registered aircraft in 1984. Of the 59 system airports, 47 are publicly owned, while 7 are Indian-controlled and 5 are private.

Primary airports are those airports which have:

- Ten or more based aircraft and/or 2,000 or more annual operations;
- Scheduled air service by either an air carrier or commuter airline on a regular basis; or
- Projections to meet the above criteria within ten years.

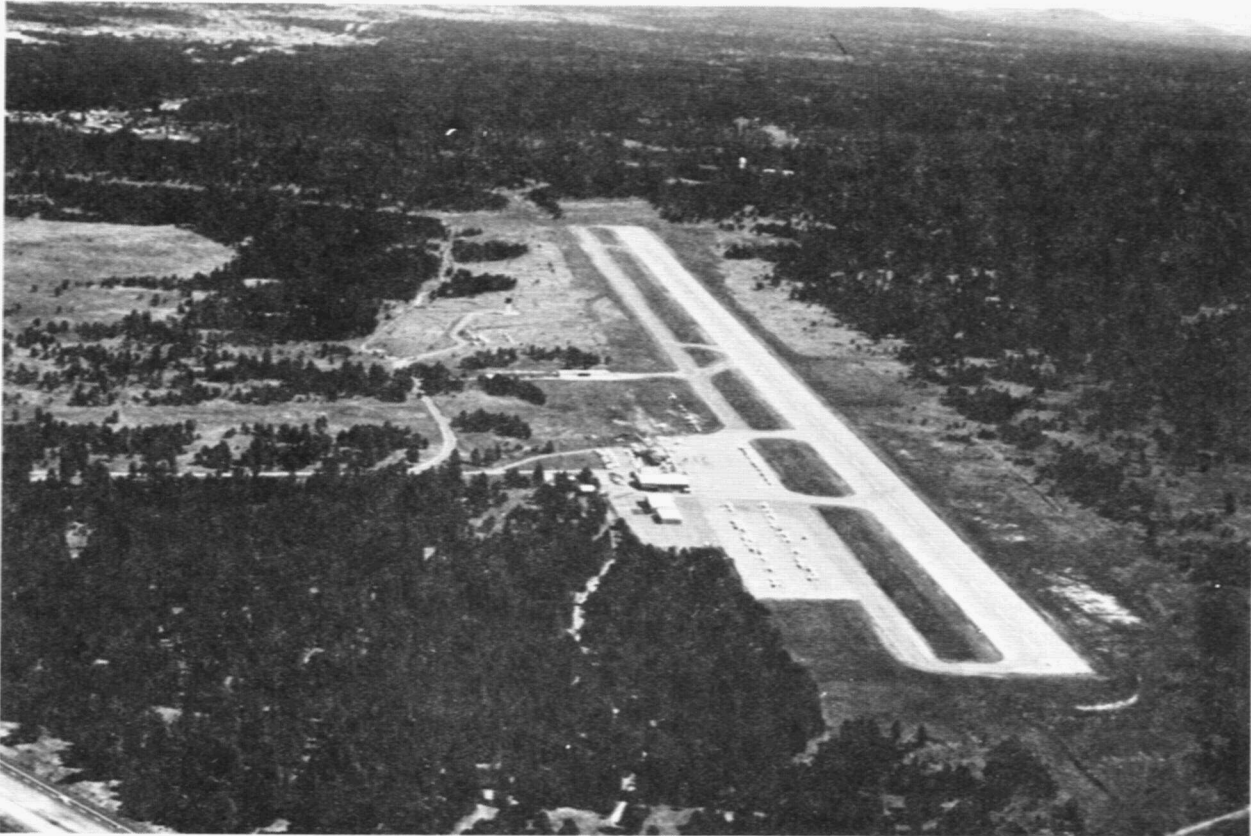
Of the 206 facilities, there are 76 heliports or helistops currently listed by the FAA in Arizona. At present, all are private-restricted facilities.

Capital improvements for active airport facilities are often financed by a combination of generally available sources: federal funds, state funds and local funds. The federal funds are generated by aviation users and administered back to airports by the Federal Aviation Administration. For Federal funding purposes, airports are categorized and defined as noted below:

ARIZONA SYSTEM AIRPORTS BY TYPE

Primary Commercial Service (Including Sky Harbor & Tucson Int'l); An airport served by scheduled airlines and enplaning .01 percent of the nation's total passengers.	4
Non-Primary Commercial Service Airports Airports with regularly scheduled service and enplaning 2500 or more passengers.	9
Reliever Airports Relieves congestion at a commercial service airport and provides more general aviation access to the overall community.	6
General Aviation Airports Any airport used for general purposes.	40
TOTAL SYSTEM AIRPORTS	59

AIRPORT DEVELOPMENT



The Airport Development Section has the following responsibilities:

- 1) Administration of the 5-year Airport Development Program and reimbursement of sponsor expenses for eligible project items;
- 2) Technical support for airports and airport projects;
- 3) Engineering guidance for and administration of Grand Canyon Airport development; and
- 4) Airport safety data inspections covering selected public airports.

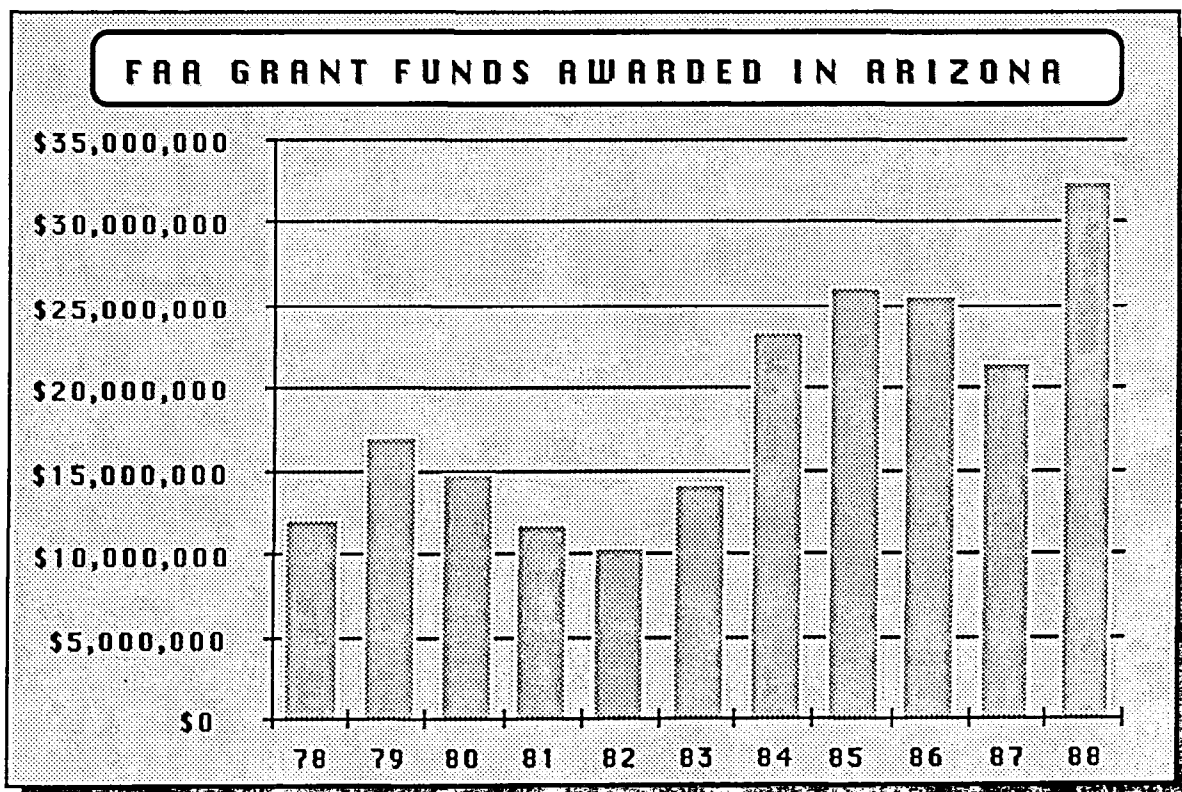
PROGRAMMING

The planning process for the 5-year Airport Development Program begins with an extensive evaluation of needs. These needs are then prioritized among the various airport categories before inclusion in a program consistent with the goals established in the Arizona Aviation Needs Study. Finally, they are evaluated and matched with anticipated funds to arrive at a financially balanced program that makes optimum use of available aviation dollars.

FUNDING

Airport construction and development in Arizona is accomplished through a cooperative effort involving three levels of government - federal, state and local. Each of these governmental units shares in the financing of airport development projects in the State. The Federal Airport Improvement Program, when viewed in dollars allocated per year, has increased approximately 300% between 1978 to 1988. This is an indicator of the growth of aviation in Arizona. Figure No. 1 depicts this growth graphically. While FY 1987 awards decreased, reflecting the final year of the previous funding legislation, FY 1988's awards rebounded to over \$32 Million. Average annual FAA expenditures since FY 1987 have exceeded \$25 Million.

At the local level, funds for airport development may come from several sources. General fund contributions, revenue from general obligation bonds, user taxes and revenues from airport leases and concessions are examples of the primary sources of funding. However, local communities are often unable to keep pace with their airport's needs without increased federal or state assistance. Currently, the local sponsor provides a matching share of 4.47 percent on federal/state/local projects and ten percent on state/local projects.



(Figure No. 1)

The number of airport projects has increased substantially. From FY 1976 to FY 1980, a total of 68 airport projects were completed. During the next five-year period from FY 1981 to FY 1985, the total number of completed projects rose to 148. This represents an increase of 218% when comparing the two five-year periods. Figure No. 2 illustrates this increase. Twenty-eight projects were completed in FY 1988, and indications are that for FY 1989, 35-40 will be completed.

Additionally, State expenditures for projects that were completed have increased as Figure No. 3 indicates. From FY 1976 to FY 1980, \$1.94 Million of state funds were expended on completed airport projects. During the next five-year period from FY 1981 to FY 1985, the total amount of State expenditures for completed projects rose to \$11.6 Million. The amount of expenditures for projects for FY 1987 was \$2.62 Million with \$6.34 Million expended during FY 1988.

PROJECT ADMINISTRATION

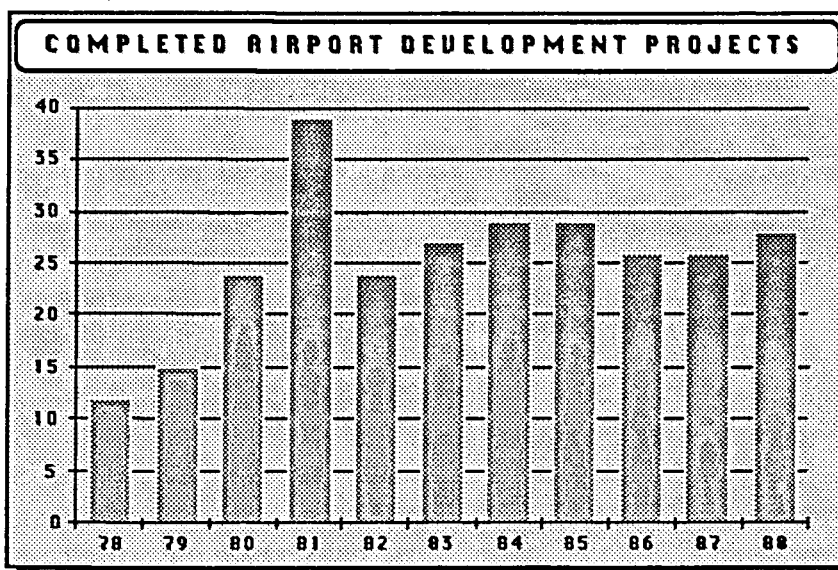
Airport projects funded through the Five-Year Airport Development Program are subjected to technical review and monitoring from design through construction and audit. During the design phase, the Airport Development Section assists sponsors in evaluating and interpreting design criteria. Additional assistance is rendered by reviewing and commenting on engineering agreements, plans, specifications and contract documents for compliance with State funding requirements.

As the project progresses through the construction phase, the Airport Development Section reviews bid tabulations, performs field reviews of work during construction, reviews field and laboratory procedures/test results, and analyzes and approves change orders. At the conclusion of the project, a final inspection is performed. As-built plans and certified quantities are required before final payment is made. Most projects are audited to ensure compliance with contractual requirements.



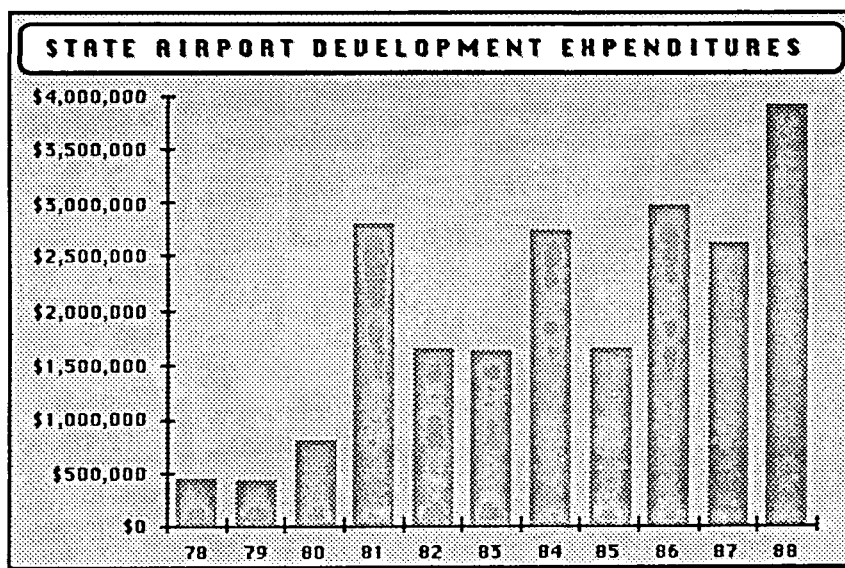
TECHNICAL ASSISTANCE

An objective of the Airport Development Section is to provide technical assistance to the Sponsor to assure quality construction, optimize construction costs, streamline administrative procedures through all stages of the project and assist local officials in the development of their airport facilities in a cost-effective manner.



(FIGURE NO. 2)

The Airport Development Section also provides technical support for special aeronautical studies and the development of conceptual airport plans. Local airport sponsors may, at any time, receive technical comment and operational guidance concerning improvements or development of their airports.



(FIGURE NO. 3)

Construction costs are being decreased by encouraging the use of locally available mineral materials and specifications, rather than using nationally developed FAA specification materials which may be uneconomical. The sponsor's administrative burden is being reduced through the assistance provided by the Airport Development Section. Where possible, reporting forms and other documents already required by the Federal Government are also used for State purposes, helping reduce excessive duplication.

GRAND CANYON AIRPORT ENGINEERING

The Airport Development Section is responsible for engineering and administering construction projects at the State-owned Grand Canyon Airport. All funding, payment and project authorizations are processed by the Airport Development Section. During 1986-87, a major parking apron expansion was completed. A selection process is presently underway to retain a consulting firm to update the master plan and design access roads, a heliport and a terminal.

All engineering phases of construction work undertaken at the Grand Canyon Airport are either performed directly by this office or performed by consultant engineers under the supervision of the Airport Development Section.



AVIATION REVENUE

The Aviation Revenue section is responsible for collection of all general aviation aircraft registration fees and lieu tax in the State; the monitoring, forecasting and assisting in the collection of various other revenues for the State Aviation Fund and the licensing of aircraft dealers. The lieu tax is one-half percent of the average fair market value of the aircraft. The division uses the Aircraft Bluebook Price Digest for its main source on most aircraft. The



fees and taxes must be paid annually by the last day of February or within sixty days after entry into the State. Aircraft owned by a State licensed Aircraft Dealer in the Dealership name are exempt from the lieu tax if the aircraft is not used commercially and held

for resale only. A surety bond must be posted in the amount of \$10,000. A cash deposit of \$10,000 may be substituted in lieu of a bond. The cash is placed on deposit with the State Treasurer. An aircraft in storage is also exempt if a proper and timely affidavit is filed. A non-resident may base his aircraft in the State ninety days or less in a calendar year without registering. No tax can be assessed less than twenty dollars a year except a non-resident that is subject to the tax. The revenues collected are deposited in the State Aviation Fund and can only be used for construction, development, and improvement of publicly owned airports throughout the State.

The aviation revenue section works very closely with law enforcement agencies. The division's registration records are useful in determining true ownership as well as historical background of an aircraft. The revenue section has developed a reputation nationwide for having the most current ownership information available. Some of the agencies which use the information include the Federal Bureau of Investigation (FBI), Drug Enforcement

Table 1
HISTORICAL
AIRCRAFT REGISTRATION DATA

<u>FISCAL</u> <u>YEARS</u>	<u>* AIRCRAFT</u> <u>REGISTERED</u>	<u>AIRCRAFT</u> <u>LIEU TAX</u>	<u>AIRCRAFT</u> <u>REG. FEES</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL REV.</u> <u>TAX & REG</u>
66-67	1,386	\$	\$ 5,132	\$	\$	\$ 5,132
67-68	1,541		5,037			5,037
68-69	1,795	103,528	8,818			112,346
69-70	2,135	105,058	10,876			160,930
70-71	2,499	160,731	12,248			172,979
71-72	2,945	210,202	15,238			225,440
72-73	3,283	239,821	16,308			256,129
73-74	3,463	424,776	18,641			443,417
74-75	3,487	468,546	19,590			448,136
75-76	4,073	511,330	19,585			530,915
76-77	4,372	699,569	22,213	15,510	2,864	740,156
77-78	5,131	941,568	23,129	9,295	1,668	980,791
78-79	5,289	1,264,776	24,972	10,800	1,409	1,301,957
79-80	5,403	1,608,107	26,156	19,372	5,123	1,658,757
80-81	5,846	1,851,033	27,460	18,662	8,374	1,905,649
81-82	6,009	1,904,154	27,276	19,764	9,210	1,960,405
82-83	6,062	1,949,822	28,210	25,807	15,267	2,019,106
83-84	6,000	2,194,838	29,138	24,268	16,311	2,264,555
84-85	6,159	2,521,643	29,200	21,900	16,892	2,589,635
85-86	6,162	2,567,490	30,116	21,940	10,285	2,597,606
86-87	6,150	1,297,328	28,650	19,265	10,144	**1,355,387
87-88	6,133	\$1,162,980	\$27,500	\$20,894	\$10,662	**\$1,222,036

SOURCES: AERONAUTICS DIVISION—ARIZONA DEPARTMENT OF TRANSPORTATION

*Calendar Year Data

**Decrease in revenue reflects tax reform legislation cutting tax rate in half.

Administration (DEA), Department of Public Safety (DPS), Internal Revenue Service (IRS), National Narcotics Border Interdiction System (NNBIS), sheriff's offices and local city police departments. The on-line automated records system has proven very beneficial to all law enforcement agencies. Through the Arizona Department of Public Safety computers, all law enforcement agencies now have access to aircraft registration records twenty-four hours a day. All correspondence and forms are now being processed with the division's micro-computers.

Registration information is available to consultants, engineering firms and various planning groups for airports planning as well as forecasting for future development. Also aircraft registration information is provided to the airports to assist in identifying aircraft and/or owners when necessary.



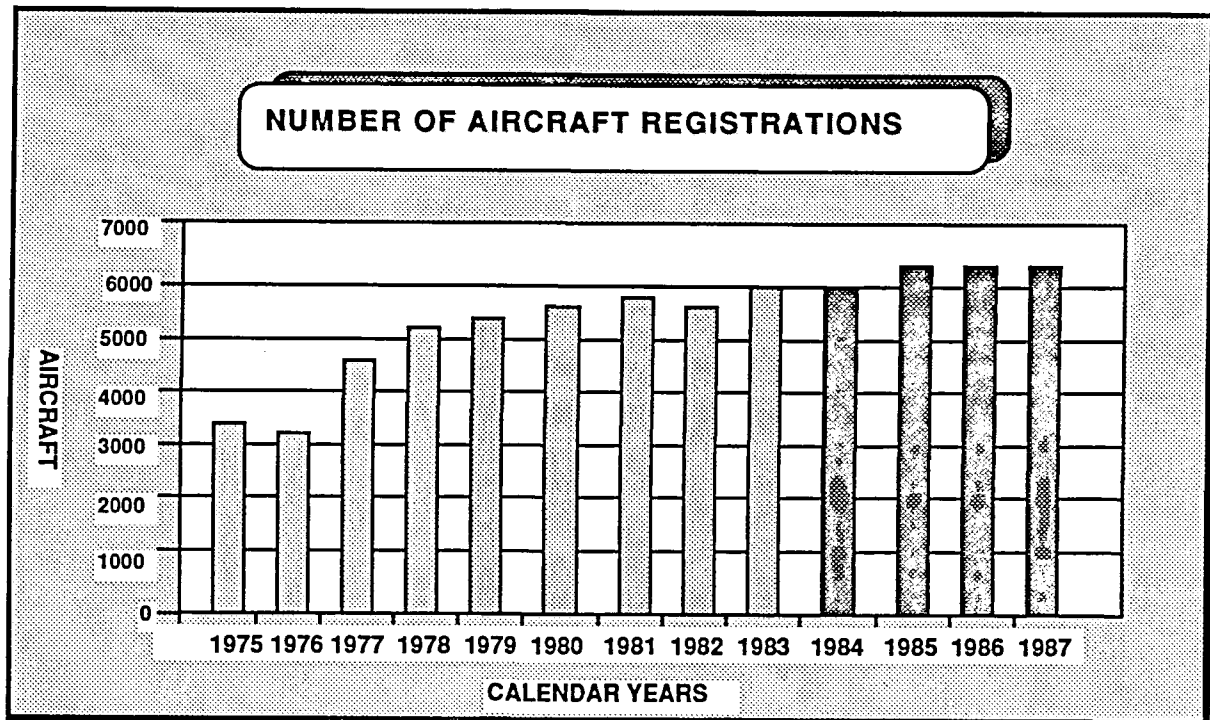


This section closely monitors the State Aviation Fund revenues. The Aviation Fund receives revenue from a variety of sources including:

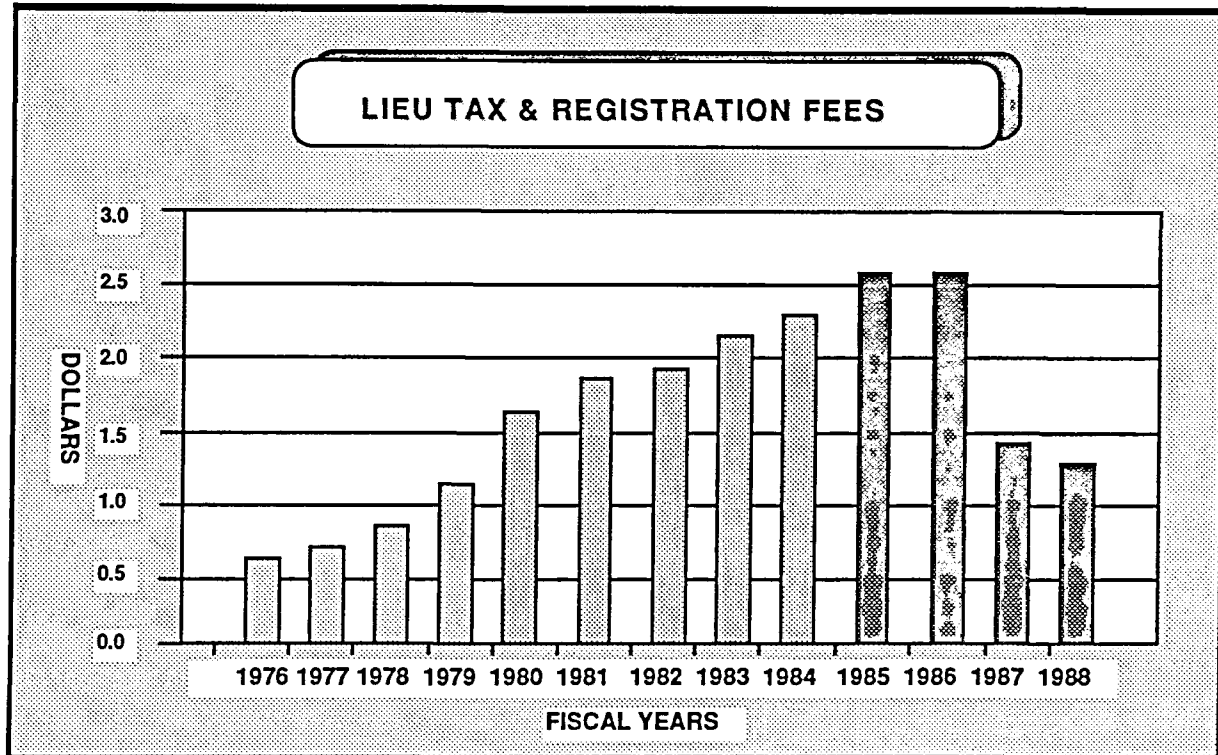
- a. Flight Property taxes; property taxes paid by scheduled airlines;
- b. Aviation gas taxes—\$.05 per gallon;
- c. Aircraft lieu tax and registration fees on non-airline aircraft are currently assessed at .005 of the fair market value of the aircraft;
- d. All revenues from the operation of the Grand Canyon National Park Airport; and
- e. Excess funds on deposit are invested by the State Treasurer.

CALENDAR YEAR - 1987

NUMBER OF AIRCRAFT REGISTERED-----	6,133
LAND PLANES-----	5,160
EXPERIMENTALS-----	215
ROTORCRAFT-----	183
BALLOONS-----	180
GLIDERS-----	119
ANTIQUES-----	105
AGRICULTURAL PLANES-----	117
ARMY SURPLUS-----	54



(FIGURE NO. 4)



(FIGURE NO. 5)

ADMINISTRATION

This section is responsible for the day-to-day operation of the Division. The activities of the Division Director are included under this section. The Administrative Section is continually involved with a wide spectrum of aviation issues which range from answering inquiries from the public to involvement in national issues of major significance to the aviation community.

The Division is involved and an active member of the National Association of State Aviation Officials (NASAO). As a result, activities such as meetings with the FAA management staff on issues affecting Arizona regarding Aviation Weather and Contract Tower Operations; heliport and airport construction funding, Part 77 obstacle criteria and Federal/State relationship on various issues has transpired. Also, the Division through the NASAO organization has attempted to strengthen working relationships with the National Air Transport Association; Airport Operators Council International, Aircraft Owners and Pilots Association and American Association of Airport Executives. The Division Director has also been active in renewal efforts before Congress for such programs as the Federal Airport Improvement Program and the Essential Air Service Program. The Division participates and makes presentations at fall and spring conferences of the Arizona Airports Association meeting.



Table 2

**AERONAUTICS DIVISION
ADMINISTRATION
REVENUE AND EXPENDITURES**

	<u>1982-1983</u>	<u>1983-1984</u>	<u>1984-1985</u>	<u>1985-1986</u>	<u>1986-1987</u>	<u>1987-1988</u>
BEGINNING FUND BALANCE:	\$4,000,000	\$4,700,000	\$3,500,000	\$4,800,000	\$5,000,000	\$5,100,000
REVENUE:						
Flight Property Tax	0	0	0	0	819,870	\$3,331,480
Aviation Fuel Tax	\$ 314,640	\$ 367,026	\$ 382,110	\$401,030	444,310	281,800
Aircraft Lieu Tax	2,009,550	2,193,594	2,518,970	2,567,490	1,297,330	1,162,980
Aircraft Reg. Fee	28,570	28,700	29,140	30,120	28,650	27,500
Misc.&Investments	<u>553,000</u>	<u>432,789</u>	<u>488,290</u>	<u>827,510</u>	<u>544,490</u>	<u>393,460</u>
TOTAL	\$2,905,752	\$3,022,120	\$3,418,510	\$3,826,150	\$3,134,650	\$5,197,240
PERCENT OF INCREASE/(DECREASE)	6.6%	4%	13.1%	12%	(18.1%)	65.8%
EXPENDITURES:						
FTE 14	14	14	15	15	15	15
Personal Services	\$292,500	\$289,310	\$311,860	\$340,700	\$321,390	\$323,500
ERE	55,600	54,970	59,260	70,100	61,130	61,390
Professional & Outside Services	5,000	2,850	7,690	17,200	9,540	52,430
Travel In-State	10,600	14,460	17,160	15,300	7,840	12,630
Travel Out-of-State	8,900	10,460	8,790	9,400	7,530	5,390
OOE	57,000	52,390	64,920	49,400	57,080	65,610
Capital	0	43,520	22,260	15,200	7,130	31,030
Reimbursement to Highway Fund	<u>56,400</u>	<u>36,480</u>	<u>40,300</u>	<u>9,900</u>	<u>31,910</u>	<u>79,460</u>
TOTAL	\$ 486,000	\$ 504,440	\$532,240	\$527,200	\$503,550	\$631,440
PERCENT OF INCREASE/(DECREASE)	3.3%	3.8%	5.5%	(0.9%)	(4.5%)	25.4%
AIRPORT DEVELOPMENT	1,637,000	3,850,920	1,639,530	3,073,590	2,520,100	3,629,700
MISCELLANEOUS	8,700	0	0	0	6,550	0
TOTAL EXPENDITURES	2,131,700	4,355,360	2,171,770	3,600,790	3,030,200	4,261,140
NET INCOME (LOSS)	\$ 774,060	(\$1,333,240)	\$1,246,740	\$225,360	\$104,450	\$961,100
=====						
ENDING AVIATION FUND BALANCE:	\$4,700,000	\$3,500,000	\$4,800,000	\$5,000,000	\$5,100,000	\$6,000,000

*Beginning and Ending Aviation Fund Balances are approximate to nearest \$100,000.

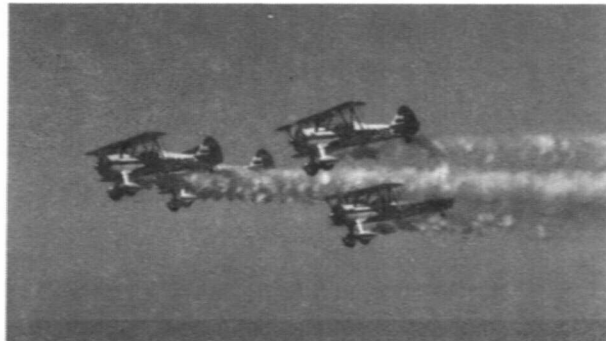
Table 3

HISTORICAL AVIATION FUEL TAX DATA

<u>FISCAL YEARS</u>	<u>GALLONS OF FUEL</u>	<u>1 ¢/GAL AV FUEL TAX</u>	<u>5¢/GAL AV FUEL TAX</u>	<u>UNCL/UNREF AV FUEL TAX</u>	<u>TOTAL REVENUE FROM GAS TAXES</u>
66-67	5,766,744			\$106,791	\$106,791
67-68	5,828,129			107,935	107,935
68-69	5,798,436			102,283	102,283
69-70	5,331,384	\$ 34,528		105,996	140,524
70-71	5,818,298	59,367		110,462	169,829
71-72	6,144,510	60,307		107,932	168,239
72-73	5,885,395	59,395		126,475	186,870
73-74	6,444,930	64,207		130,815	195,022
74-75	6,871,623	69,781		143,084	212,865
75-76	7,075,481	68,343		174,982	243,325
76-77	9,577,534	72,506		186,152	258,658
77-78	9,541,147	69,926		213,890	283,816
78-79	8,159,000	85,159		254,113	339,272
79-80	9,054,499	90,545		252,089	342,634
80-81	12,453,322	124,533		317,742	442,275
81-82	11,228,545	112,285		268,315	380,600
82-83	8,482,597	84,826		229,812	314,638
83-84	8,227,983	82,279		284,747	367,026
84-85	7,637,721	76,377		305,734	382,111
85-86	6,471,370	64,714		336,316	401,030
86-87*	8,202,591	\$11,900	350,629	\$ 81,779	444,308
87-88**	8,929,382	0	\$306,774	0	\$306,774

* As of August 13, 1986—AvGas Tax was increased from .01¢ per gallon to .05¢ per gallon.

** As of August 18, 1987—AvGas Refunds were eliminated except for aerial applicators.





An aviation data base and management information system which was started in 1984, upon delivery of the Division's first microcomputer, was expanded and enhanced during the year.

The Division has automated through microcomputers many of its administrative activities. Recently, efforts were also coordinated with the FAA and local airport managers in verifying their data base to be used in the development of the National Plan of Integrated Airport Systems (NPIAS). Work has continued on coordinating the automation of the FAA's 5010 data base and field inspection program with Arizona becoming the first state to receive approval from the FAA to electronically supply 5010 information.

The Administrative Section supplies all support staff for the operational sections, including budget preparation, accounting and fiscal controls, management policy and direction. Also provided are all secretarial and clerical support, records management and personnel services within the Division. This section also closely monitors all expenditures from the State Aviation Fund.

The State Aviation Fund expenditures are approved through an annual budget cycle by the State Legislature. The Legislature approves an administrative budget with the remaining available funds appropriated in a lump sum for airport construction and development.

The Transportation Board, through public hearings and a priority rating system, approve individual airport construction projects as published in the Five-Year Airport and Highway Construction Program. (See Airport Development Section for more explanation.)

GRAND CANYON NATIONAL PARK AIRPORT

The Aeronautics Division is responsible for the maintenance, operation and improvements of the only active State-owned airport in Arizona. The Airport is located seven miles from the south rim, and was originally constructed with funds from the Department of Interior, the Federal Aviation Administration and the State of Arizona in 1967.

Today, it is the third most active air carrier airport in the State following Phoenix Sky Harbor and Tucson International. The airport is presently served by over 70 air taxi and commuter carriers. Annual aircraft operations increased during the year to 130,857 and the total number of passengers for 1986-87 is estimated to be 654,285.

In February 1985 the Department leased the operation, maintenance and development of the airport to private industry. AVCO Services Corporation, a subsidiary of Combustion Engineering, was the successful bidder.

Financially, in terms of operational expenses, the airport is operating in the black. Although the revenue figures indicate a dramatic cut in 1987-88, the State had virtually no expenses associated with the Airport.

GRAND CANYON AIRPORT

REVENUE VS. EXPENDITURES

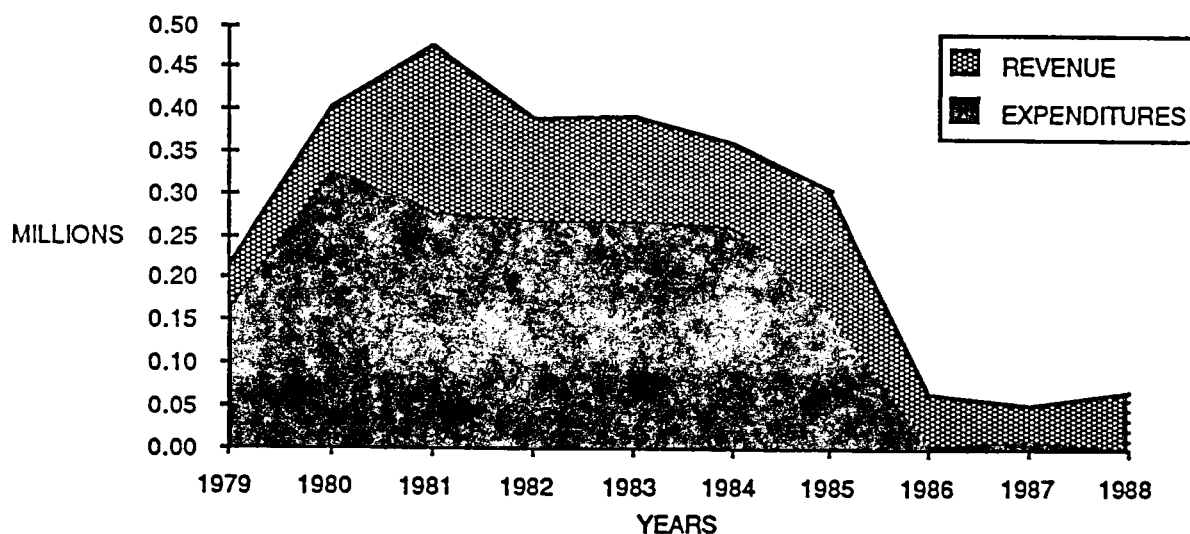


Table 4

**HISTORICAL GRAND CANYON AIRPORT
REVENUE AND EXPENDITURES
AIRCRAFT OPERATIONS AND PASSENGERS ENPLANED**

	<u>1982-1983</u>	<u>1983-1984</u>	<u>1984-1985</u>	<u>1985-1986</u>	<u>1986-1987</u>	<u>1987-1988</u>
Revenue:	\$ 395,300	\$ 362,826	\$306,955	\$65,750	\$51,625	69,495
Percent of Increase (Revenue)	1.4%	(8.2%)	(15.4%)	(78.5%)	(21.5%)	34.6%
Expenditures:						
FTE	9	9	9	0	0	0
Personal Services	\$128,170	\$136,490	\$87,600	\$0	\$0	\$0
ERE	24,350	25,933	16,640	0	0	0
Profession & Outside Svcs.	2,420	0	0	0	0	0
Travel In-State	360	196	20	0	0	0
Travel Out-of-State	0	0	0	0	0	0
Other Operating Expenses	107,860	96,620	52,900	2,600	6,550	0
Capital Equipment	2,420	738	290	0	0	0
Total Expenditures	\$ 265,580	\$ 259,977	\$ 157,450	\$2,600	\$6,550	\$0
Percent of Increase (Decrease)	(1.4%)	(2.1%)	(39.4%)	(98.3%)	251.9%	(100%)
Net Income (Loss)	\$ 129,720	\$ 102,849	\$ 149,505	\$63,150	\$45,075	\$69,495
	=====	=====	=====	=====	=====	=====
Grand Canyon Airport Annual A/C Operations	93,429	92,665	93,104	92,882	100,932	130,857
Percent of Increase (Decrease)	(8.3%)	(1.9%)	.5%	(2.4%)	8.6%	29.6%
Estimated Annual Passengers	467,145	463,325	465,510	464,410	509,660	654,285
Percent of Increase (Decrease)	(8.3%)	(1.9%)	.5%	(2.4%)	9.6%	28.3%

AVIATION SAFETY AND EDUCATION

RESPONSIBILITIES

The Aviation Safety and Education Section is responsible for the dissemination of aviation information, air safety, aerospace education, and monitoring aviation regulations. Duties include planning, organizing and conducting aviation safety seminars.

INFORMATION EXCHANGE

The Section continuously monitors ongoing regulatory action and reviews press releases, magazines and newsletters each month to stay in touch with aviation safety, regulatory, and industry developments. Many of these periodicals are organized and retained in an aviation reference library. The section handles calls, letters, and other contacts from the general public and aviation interests each year. Explanations and data are provided on the spot, research is initiated, and referrals are made to other sources having additional specific expertise.



AVIATION SAFETY ADVISORY GROUP

The Section is also a member of the Aviation Safety Advisory Group. This group, whose members represent various aviation users, provides input to the FAA Accident Prevention Program, and conducts a yearly Flight Instructor/A & P Mechanic of the Year awards banquet.

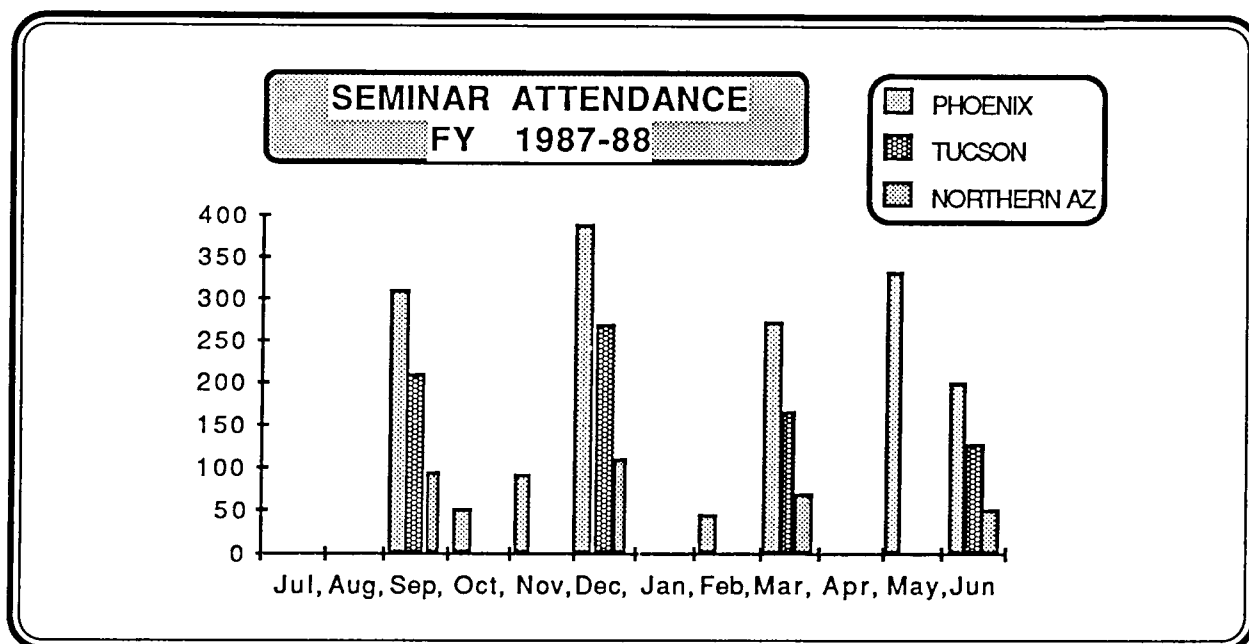
ACTIVITIES

Safety and education efforts during 1987-88 concentrated on continuing the safety seminar program; completing the FAA 5010 Airport Master Record inspection program, including updating the computerized airport drawings and data section of the FAA form; promoting helicopters and the establishment of public-use heliports; assisting with the State Aviation System Plan; computerized typesetting/layout of the Aviation newsletter; electronic communications and bulletin board systems; and membership on the Arizona Aviation Week organizing committee.

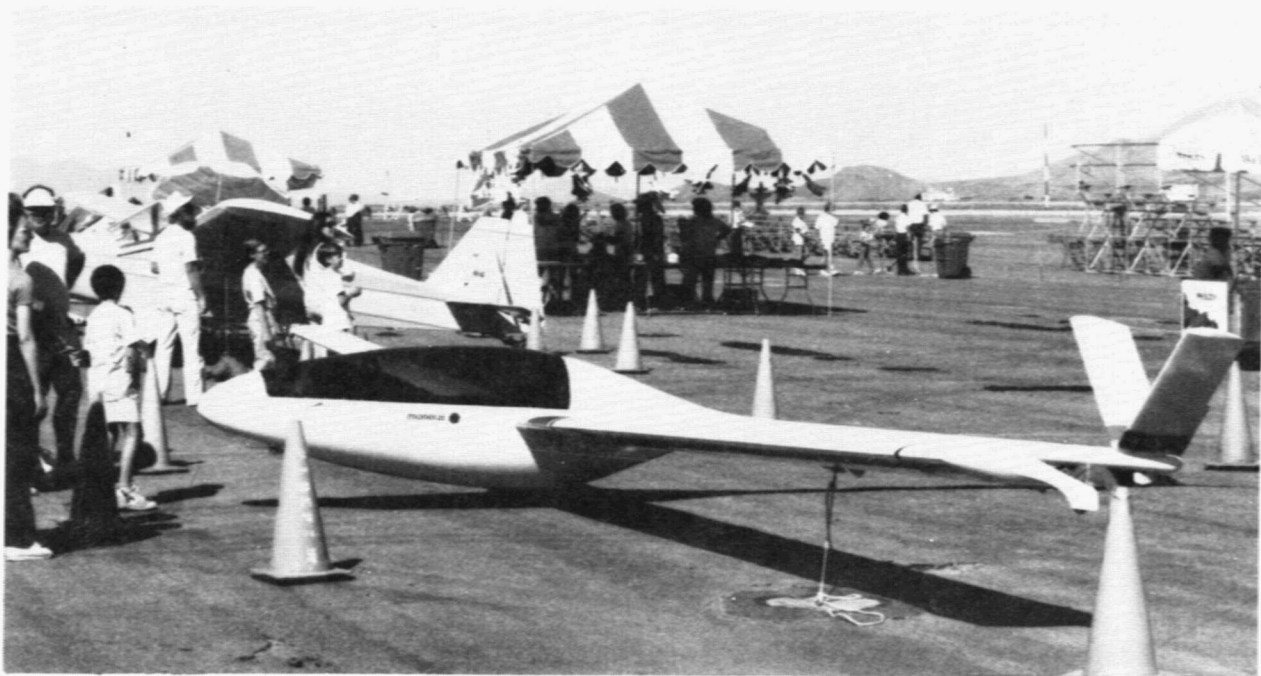
The Aviation Safety and Education Section edits and arranges for the publication of the newsletter, Aviation, the Division's Annual Progress Report and other aviation related information.

Assigned personnel also act as a resource for other sections within the Aviation Division. Assistance in areas such as photography, data collection, planning and analysis is provided on special projects. The Aviation Field Representative is designated as Division pilot, to arrange and conduct air transportation when required. Regulatory and navigational data are kept available and constantly updated. FAA airspace review actions are monitored and comments provided when appropriate. A library of video tapes has been started and is being expanded. The review of new private sector weather data reporting and retrieval systems has continued. A division computer bulletin board system has been established and is available to the public.

The Division has continued to sponsor, with personnel and financial support, the quarterly aviation safety seminars in Phoenix, Tucson and Prescott/Flagstaff. As the accompanying chart indicates, audience attendance and interest remains high. Speakers from widely varying backgrounds and with diverse areas of expertise are featured along with regional



(FIGURE NO. 7)



spokespersons. They provide continuing education for pilots, answer questions from the audience, and encourage maintenance of pilot proficiency and responsibility.

PUBLICATIONS

Aviation

Aviation is the official publication of the Arizona Department of Transportation, Aeronautics Division and is distributed periodically to Arizona aircraft owners, aviation organizations, in-state news media, federal and state agencies, aviation publications and airline representatives and others by request. There were two issues published during FY '87-'88.

The purpose of this publication is to disseminate information on division activities emphasizing airport development projects, news from and events of local aviation organizations, safety-oriented features, regulatory and procedural updates, features of interest to Arizona aviators, and national news affecting aviation.

Progress Report

The annual progress report is a composite of the activities of the Aeronautics Division over the preceding fiscal year.

Helicopter Facts

A booklet on the basic questions a person may ask concerning a helicopter and how it flies. It is designed as a public education tool during helicopter displays or upon request from individuals or groups.

AIR SERVICE AND AVIATION PROGRAMMING/PLANNING

The Air Service/Aviation Planning section is responsible for assisting in the orderly development of the commercial air transportation system serving the State as well as aviation programming/planning functions. This section assists communities and airlines in aviation planning and air service matters which are of regional or statewide significance. It coordinates the development and makes policy recommendations concerning the State's position in relation to air service legislation, administrative rulemaking and legal proceedings before the U.S. Department of Transportation (U.S.DOT), Federal Aviation Administration (FAA), or Congress. This section works with other state agencies to ensure common directions are taken in the improvement of the aviation system.

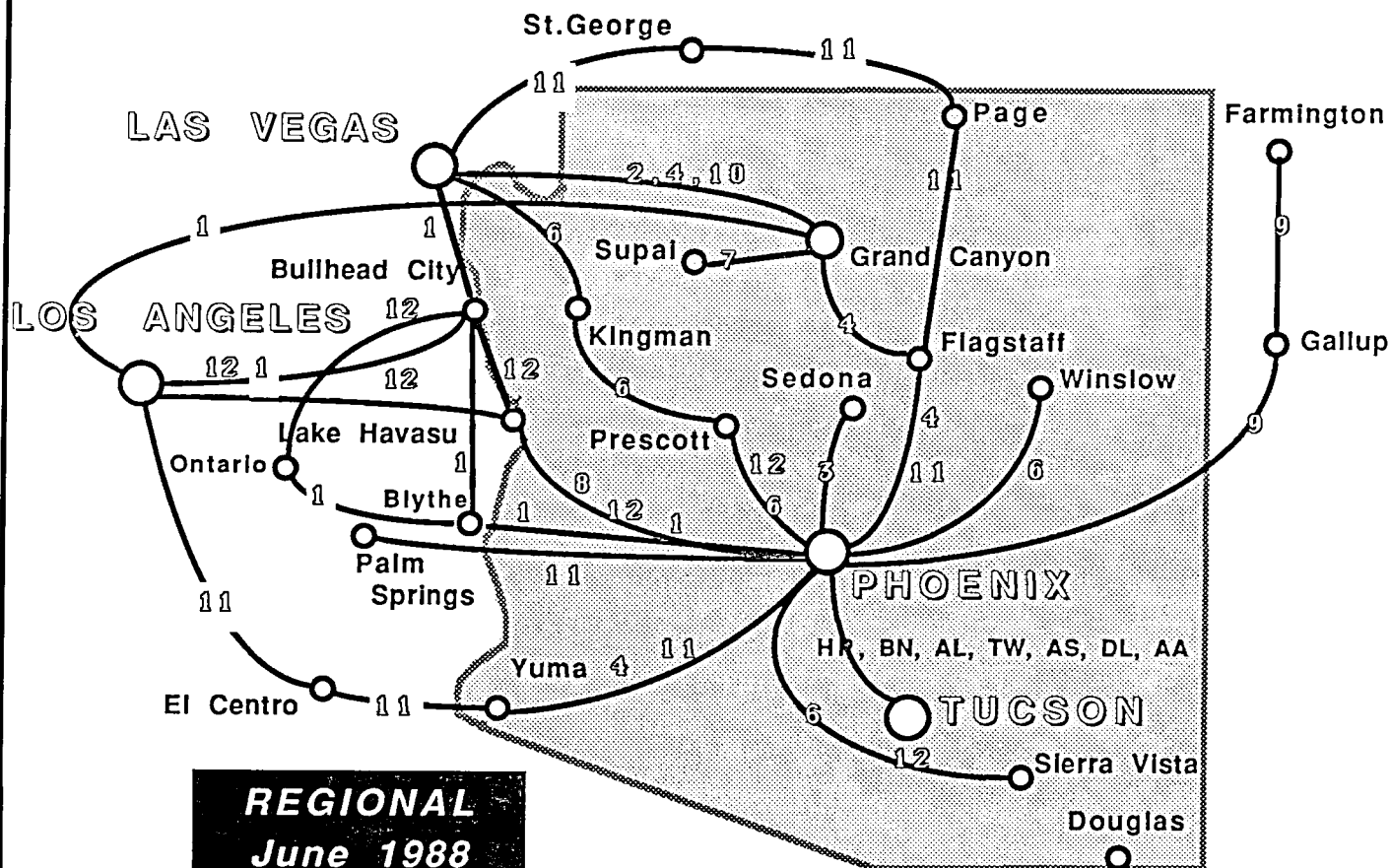


Since 1978, there have been dramatic changes brought about as a result of the Airline Deregulation Act. Prior to its enactment, the Division was active in both domestic and international route awards, along with the federal certification proceedings of Cochise and Skywest Airlines, a legal process which took more than three years.

Since that time, the section has primarily been concerned with the small communities Essential Air Service (EAS) provision of the Airline Deregulation Act. Eight Arizona

Arizona Department of Transportation

SCHEDULED AIR SERVICE ROUTES



REGIONAL
June 1988

COMMUTER AIRLINES

PHONE

1. AIR LA (UE)	602-220-9774
2. AIR NEVADA (LW)	800-634-6377
3. AIR SEDONA (UJ)	800-535-4448
4. AMERICA WEST (HP) DASH 8	800-247-5692
5. AMERICAN EAGLE (AA*)	800-433-7300
6. GOLDEN PACIFIC AIRLINE (YB)	800-352-3281
7. GRAND CANYON HELICOPTERS (HI)	602-638-2658
8. LAS VEGAS AIRLINES (TQ)	702-647-3056
9. MESA AIR SHUTTLE (YV)	800-545-5119
10. SCENIC AIRLINES (YR)	800-634-6801
11. SKYWEST AIRLINES - DELTA CONNECTION (DL)*	800-453-9417
12. STATESWEST AIRLINES (YW)	800-247-3866

Note: Major airlines between Phoenix & Tucson are Alaska Airlines (AS), America West (HP), Braniff (BN), Trans World (TW), U.S. Air (AL).

communities were assisted in the evaluation of EAS determinations from the CAB. They include Flagstaff, Grand Canyon, Kingman, Page, Prescott, Winslow, Yuma and Douglas. Prescott became one of the few EAS communities in the entire Federal program to become a self sustaining air service point; only Kingman, Page, and Winslow remain subsidized within the State. Winslow's EAS determination and subsidy expenditures came up for review by the U.S. DOT as a result of Golden Pacific's scheduled service contract expiring. U.S. DOT extended Winslow's subsidy, on a trial basis until April 1988 to allow significant traffic levels at Winslow to build. An increased number of passengers have yet to materialize.

The section also monitors air passenger traffic in the State; verifying FAA's findings and coordinating the accuracy of statistical information with local airport sponsors. Such statistics are used by FAA to allocate airport improvement funds.

Planning responsibilities were transferred to the Division in the Spring of 1984. Since that time, the following studies have been completed: Aviation Needs Study, a legislative mandate on the performance of the State's airport transportation system; an Aircraft Counter Program which tabulated aircraft activity at 15 non-towered airports around the State; an Economic Impact Study on Aviation in Arizona; an Airport/Heliport Land Use compatibility study which provided an inventory of the State's primary airport system and a synopsis of Indian airports. The studies are a part of the State Aviation System Plan (SASP). Several new studies were begun during the year including: a complete automation of the SASP; a regional airport feasibility and site selection for the Verde Valley; a pavement management system for ten primary airports; and the development of a microcomputer noise model for airport land use planning.

The staff participated in both Maricopa Association of Governments (MAG) and Pima Association of Governments (PAG) Regional Airport and Heliport System Planning meetings. Technical assistance was provided to Phoenix and Tucson Planning and Zoning Committees on proposed helicopter ordinances. Briefings with consultants have been held providing information regarding the Statewide Aviation Needs Study. Coordination of data from the MAG and PAG Regional Aviation System Plan (RASP) studies have been established to ensure proper dovetailing of findings.

The map on the preceding page depicts the current routes flown by both major and commuter airlines within the boundaries of Arizona as of June 1988.